

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

v.

**STEVE M. BAJIC,
RAJESH TANEJA,
NORFOLK HEIGHTS LTD.,
FOUNTAIN DRIVE LTD.,
ISLAND FORTUNE GLOBAL LTD.,
CRYSTMOUNT LTD.,
WISDOM CHAIN LTD.,
SSID LTD.,
SURE MIGHTY LTD.,
TAMARIND INVESTMENTS INC.,
KENNETH CIAPALA,
ANTHONY KILLARNEY,
BLACKLIGHT SA,
CHRISTOPHER LEE MCKNIGHT, and
AARON DALE WISE,**

Defendants.

Civil Action No. 1:20-CV-00007-LGS

JOINT STATUS REPORT

Pursuant to paragraph 13 of the Court’s Civil Case Management Plan and Scheduling Order (Dkt. No. 137), the undersigned parties, including plaintiff Securities and Exchange Commission (“Commission”), Steve Bajic, Rajesh Taneja, Christopher McKnight, Aaron Wise, Kenneth Ciapala and Anthony Killarney, provide the following status report to describe the status as to each defendant and the items referenced in Rule IV.A.2 of the Court’s Individual Rules.

Status as to Individual Defendants

A. Defendants Wise, McKnight and Taneja

The Commission, along with counsel for defendants Wise, McKnight and Taneja, report

that they have reached agreements in principle to settle the Commission's claims against defendants Wise, McKnight and Taneja. Those agreements in principle require approval from the Commission, and the Commission's counsel is in the process of seeking that approval and expects to be able to report to the Court further within the next two weeks. If the Commission approves the settlements, the parties will submit their agreements, in the form of motions for approval, proposed final judgments and consent agreements, for the Court's approval. The time to respond to the Complaint for defendant Wise has been extended to November 25, 2020. The time to respond to the Complaint for defendant McKnight has been extended to November 29, 2020. The time to respond to the Complaint for defendant Taneja has been extended to November 30, 2020.

B. Defendant Bajic

The time to respond to the Complaint for defendant Bajic has been extended to November 30, 2020. The Commission's counsel and Bajic have been involved in extensive settlement negotiations and have reached an agreement in principle as to some of the terms of a settlement but are still working to reach agreement on other terms. The Commission's counsel and Bajic believe that additional time to allow their settlement negotiations to proceed would be useful and that it is unlikely that they will litigate this case.

C. Defendant Ciapala

The time to respond to the Complaint for defendant Ciapala has been extended to January 8, 2021. The Commission's counsel and Ciapala have also been involved in productive settlement negotiations. The Commission's counsel and Ciapala believe that additional time to allow their settlement negotiations to proceed would be useful and that it is unlikely that they will litigate this case.

D. Defendant Killarney

On October 29, 2020, in response to defendant Killarney's pre-motion letter seeking leave to file a motion to dismiss the Complaint, the Court ordered the Commission to file an amended complaint to provide additional detail as to Killarney. The amended complaint is due on November 19, 2020. Once Killarney answers the amended complaint, the parties will discuss a plan to litigate the Commission's claims against Killarney and will present a proposed joint schedule to the Court. The Commission's counsel has also engaged in preliminary settlement negotiations with Killarney's counsel and will continue to pursue those discussions.

Pending Motions

1. A pending letter request by the Commission (Docket Nos. 194, 194-1) seeks to freeze securities that were transferred back to their United States transfer agents by defendants against whom the Court has already issued final judgments. The Court ordered that any objection to this motion be filed by October 27, and no such objections were filed. The Commission respectfully requests that the Court issue its proposed order freezing those securities until further order of the Court. *See* Docket No. 194-1.

2. The Court has scheduled a hearing on an Order to Show Cause as to why default judgments should not be entered against defendants SSID Ltd. and Blacklight SA for November 5, 2020 at 10:30 am. The Commission has filed proposed final judgments as to both defendants.

3. On September 4, 2020, the Court granted the Commission's request for a default judgment against Tamarind Investments, Inc. and then referred the matter to a magistrate judge for a hearing on the issue of damages. That hearing is scheduled for December 9, 2020 at 10 am.

Commission's Claims Against The Other Defendants Are Resolved

The Commission's claims as to defendants Norfolk Heights Ltd., Fountain Drive Ltd., Island Fortune Global Ltd., Crystallmount Ltd., Wisdom Chain Ltd., and Sure Mighty Ltd. were resolved by the entry of final judgments against them on May 7, 2020. The Commission's claims as to defendant Tamarind Investments Inc. were resolved by the granting of default judgment against it on September 4, 2020, though the terms of that order are still pending.

Respectfully submitted,

SECURITIES AND EXCHANGE COMMISSION

/s/ Kathleen Shields

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CERTIFICATE OF SERVICE

I hereby certify that, on November 5, 2020, a true and correct copy of this document was filed through the Court's CM/ECF system, and accordingly, this document will be sent electronically to all participants registered to receive electronic notice in this case, and that I will serve the document via e-mail upon the remaining parties not registered to receive electronic notice through the CM/ECF system, or provide their Swiss counsel of notice of the filing.

/s Kathleen Shields

Kathleen Shields